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1. ISRAEL ANNOUNCES POSTPONEMENT OF WORK ON BANAT YACOV PROJECT

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Israeli prime minister Ben-Gurion's statement on 14 February that plans to resume work on the Banat Yacov diversionary canal project have been

"shelved" for the time being postpones, but does not eliminate, the threat of war over this issue between Israel and Syria.

The Israelis have never expressed any degree of confidence that the Arabs could be persuaded to accept the Johnston plan for the development of the Jordan River valley. Israel's leaders almost certainly have not changed their minds in this respect. The shelving of the Banat Yacov project appears, therefore, to be an effort to convince the West of Israel's reasonableness on this subject as well as on the larger issue of war and peace in the area.

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This Israeli action and the recently reported Egyptian undertaking to urge "further consideration" of the Johnston plan among the Arabs suggest that neither Israel nor Egypt is seeking a war at this time.

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2. KHRUSHCHEV'S REPORT TO THE 20TH PARTY CONGRESS

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	The range of topics covered in Khrushchev's report to the 20th Party Congress and his confident manner of treating them, as well as the appointment of large numbers of his
	protegés to the guiding organs of the congress, are indicative

of his dominant position as 'first among equals' in the party presidium.

In the section of his report devoted to international affairs, Khrushchev set forth in clear and forthright terms the doctrinal foundation of the major lines of Soviet policy which have been developing over the past year. With the exception of his endorsement of a ban on thermonuclear weapons tests, the first by a top-level Soviet leader, Khrushchev's report contained no new proposals on specific East-West questions. The importance of his speech lies rather in the strong impetus it was intended to provide to two of the major aims of current Soviet policy: pursuit of diplomatic and economic intervention in the Middle East and South Asia and the development of new relationships with the international Socialist movement.

Khrushchev devoted special attention to Soviet relations with the Afro-Asian states and included "peaceloving" non-Communist states of this area along with the Sino-Soviet bloc in a vast "zone of peace" which now and in the future will play a decisive role in world affairs.

The Soviet party chief introduced major doctrinal revisions on such basic questions as the inevitability of war and the transition to socialism. He asserted in effect that the ''Marxist-Leninist precept that wars are inevitable" is now outmoded, and denied that the only road to socialism was through civil war and revolution, asserting that it is possible "to go over to socialism by using parliamentary means." His modification of these doctrines was intended to have a strong effect on Socialists and other "patriotic forces" in the non-Communist world in what promises to be a major effort to establish and exploit popular fronts.

The fact that Khrus	shchev was the one to
make these changes in doctrine will pr	robably add to his stature
as a leader in the Communist world. \lceil	
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4. PAKISTANI GOVERNMENT PROMOTES RAPPROCHEMENT WITH SINO-SOVIET BLOC

The Pakistani government appears to be playing an active role in encouraging neutralist sentiment in Pakistan and rapprochement with the Sino-Soviet bloc.

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current press criticism of Pakistan's past foreign policy is part of a campaign by the government to lead its Western allies to take positive action on Kashmir. An official Pakistani radio broadcast to Indonesia on 13 February, which quoted a press editorial urging acceptance of Bulganin's recent offer of a trade pact, suggests that Karachi is attempting to gain Southeast Asian sympathy for its closer ties with the USSR. The editorial commented on "the lukewarm attitude our friends in the West have adopted toward us" and recommended that no notice be taken of any Western objections.

The Pakistani campaign is probably not merely aimed at extracting increased aid and support from the West, but is a serious attempt to determine what can be gained from dealing with the Communist bloc.

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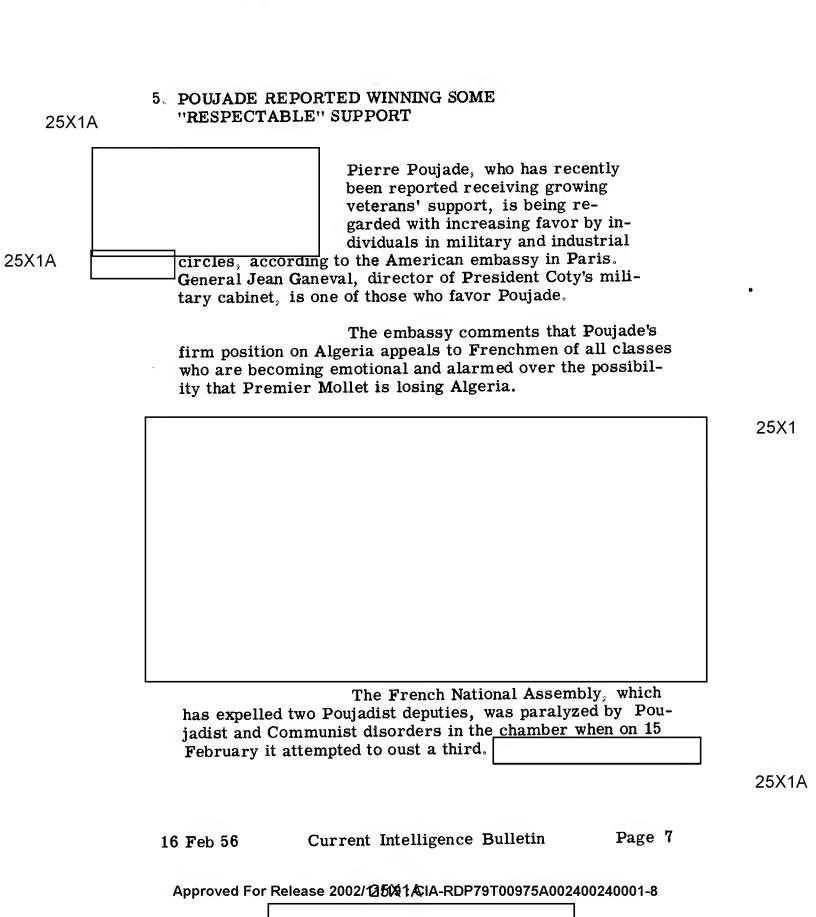
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6. CABINET CHANGES IN SPAIN

General Franco's replacement of his minister of education and the minister-secretary of the Falange, as reported by the press on 15 Feb-

ruary, suggests that he regards the increasing domestic dissatisfaction with his policies as a possible threat to his own position. This unrest was recently highlighted by fighting between Falangist and anti-Falangist factions of University of Madrid students over the questions of Falange control of student organizations and the re-establishment of the monarchy. The riots were followed by a series of repressive measures by the government.

A new education minister has not yet been named. The reported appointment of José Luis Arrese as new Falange minister suggests a determined effort to reimpose strict discipline on this organization, which was headed by Arrese during World War II when he raised the Blue Division to fight against the Russians.

The two dismissals have been rumored for some weeks along with several others, including the commerce and army ministers.

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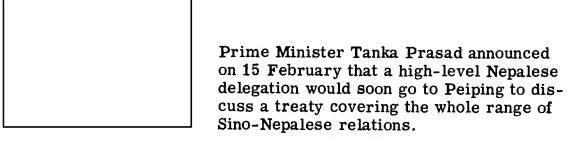
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7. NEPAL TO DISCUSS TREATY WITH COMMUNIST CHINA



During these discussions, Communist China seems likely to press for the opening of permanent diplomatic and trade missions in Katmandu as well as for regularization of Nepalese-Tibetan trade. It may succeed in gaining the right to station a trade representative in Nepal, but both India and Nepal would probably not agree to the opening of a Chinese chancery in Katmandu.

Nepal may press for demarcation of its
border with Tibet, but China would probably hesitate to per-
mit this. Border demarcation would deprive China of any
future claim to sovereignty over Nepal. It would also pro-
vide Nepal with firm grounds for protesting Chinese incur-
sions into Nepalese territory.

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8. YI KI-PUNG SEEN AS RHEE'S PROBABLE CHOICE FOR SOUTH KOREAN VICE PRESIDENT

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South Korean defense minister Son told American charge Strom on 15 February that National Assembly speaker Yi Ki-pung has a ''90-percent

chance" of being nominated for the vice-presidency of South Korea at the Liberal Party convention on 5 March.

Son acknowledged that the recent assassination of army counterintelligence chief Kim had resulted in Rhee's supporters crystallizing more sharply into two factions. He said that even with Yi as vice president, Rhee would continue his policy of playing off one faction against the other.

Comment

In view of Rhee's advanced age, the vicepresidency is considered the key to future power in South Korea.

Most observers believe that the pro-American Yi Ki-pung, who is backed by Son and Army Chief of Staff Chong Il-kwon, is Rhee's likely choice. Influential opponents of Yi, however, are attempting to convince Rhee that this triumvirate not only was responsible for the Kim murder, but constitutes a threat to his own position. The possibility will always remain that Rhee may choose a nonentity like the present incumbent or someone not involved in the present intrigues.

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THE ARAB-ISRAELI SITUATION (Information as of 1700, 15 February)

The American military attaché in Tel Aviv reports a minor selective mobilization of personnel and equipment with some movement to the south, including Eilat, at the mouth of the Gulf of Aqaba. He believes that this is a precautionary reinforcement in view of the recent increase of Egyptian forces in the Sinai.	25X1A
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Israeli chief of staff Dayan has told a visiting American officer that a policy of "activism" is the only one Israel can rely on. Dayan saw three alternatives in the present situation: (1) that Israel will be armed, thus forestalling Arab aggression; (2) that Egypt will attack soon; (3) that Egypt will defer action until the Arabs are stronger and better organized.	
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The Soviet freighter Admiral Ushakov arrived at Alexandria on 10 February and berthed in the port's security area. Cargo reportedly observed on the Ushakov's deck included several tanks and trucks and two torpedo boats. This ship has previously transported military equipment to Alexandria.	25X1
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